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Leather Products Industry Panel
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REPORT

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INTRODUCTION

1. The eighth session of the Leather and Leather Products Industry Panel was attended by 23 participants from 18 countries and 4 international organizations, with 1 observer (see annex I).

I. ORGANIZATIONAL MATTERS

A. Opening of the session

2. The session was opened by the Head of Negotiations Branch of the United Nations Industrial Development Organization (UNIDO) under the outgoing chairmanship of Ferdinand Mencik (France).

B. Election of chairman and vice-chairman

3. The Panel elected Yehia Al Mokadem (Egypt) chairman and Shi Xianglin (China) vice-chairman.

C. Adoption of the agenda

4. The following agenda was adopted:

1. Opening of the session
2. Election of officers
3. Adoption of the agenda
4. Follow-up to the recommendations of the Third Consultation on the Leather and Leather Products Industry;
   - (i) Summary of the outcome of the Third Consultation;
   - (ii) UNIDO technical assistance work in the leather and leather products industry
5. Review of the integrated development programme of the leather and leather products industry in selected African countries:
   - (i) Country reports (Burkina Faso, Egypt, Mali, Mozambique, Niger, Sierra Leone, Somalia, Zambia);
   - (ii) Shoe components and auxiliaries;
   - (iii) Tanning chemicals
6. Contributions by other international organizations on their activities in hides and skins, leather and leather products industry (International Labour Office, Food and Agriculture Organization of the United Nations (FAO), International Trade Centre (ITC), and United Nations Conference on Trade and Development (UNCTAD))
7. Preparation for the Regional Meeting for Africa (Alexandria, 1986)
8. Other business

D. Documentation

5. The documents issued for the session are listed in annex II.

II. FOLLOW-UP TO THE RECOMMENDATIONS OF THE THIRD CONSULTATION ON THE LEATHER AND LEATHER PRODUCTS INDUSTRY

6. The Panel took note of the reports of the UNIDO Secretariat on agenda item 4 (i) "Summary of the outcome of the Third Consultation" and on agenda item 4 (ii) "UNIDO technical assistance work in the leather and leather products industry". The Panel felt that there was a strong need to meet regularly according to the Terms of Reference of the Panel, in order to undertake its monitoring role in this field.

III. REVIEW OF THE INTEGRATED DEVELOPMENT PROGRAMME OF THE LEATHER AND LEATHER PRODUCTS INDUSTRY IN SELECTED AFRICAN COUNTRIES

7. Country reports were introduced by the Secretariat and discussed in detail by the Panel.

8. The conclusions of the Panel's deliberations highlighted the urgency to hold the Regional Meeting for Africa, as recommended by the Third Consultation on the Leather and Leather Products Industry.* For this purpose it was recommended that UNIDO complete its country studies, covering the majority of the countries in the region, detailing where possible the economic losses now suffered by the sector and economic benefits that could be obtained if appropriate measures were taken.

9. To facilitate the deliberations at the proposed Regional Meeting it was strongly recommended that a Plan of Action be prepared incorporating the following major subjects:

(a) International hides and skins development scheme - adapted for the African region, with a detailed plan of action on how such a scheme can be implemented in a selected country. Examples are to be given of existing projects to highlight major problems, successes and failures (FAO); industrial activities are to be promoted along with downstream processing activities (UNIDO);

(b) Training - based on the project outlines presented by UNIDO (including upgrading of existing centres, preparation of audio-visual materials, checklist of syllabus, summary of training manuals already published, training of trainers) to be developed further;

(c) Governmental role - there is a need to sensitize the Governments to:

(i) Losses accruing to the sector due to incorrect recovery, non-compliance with regulations that aim at hides and skins improvement and processing of the raw material, and low utilization of capacity;

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*Third Consultation on the Leather and Leather Products Industry, Innsbruck, Austria, 16-19 April 1984 - Report (ID/WG.411/14, ID/318), para. 19.

(ii) Economic advantages available to the sector, if the optimum conditions are assured and relevant rules and regulations enforced;

(iii) Minimum conditions to be provided by the Governments to encourage extended international co-operation through joint ventures, direct investments, consultations and other forms;

(d) Forms of co-operation - joint ventures and/or management contracts being promoted as the most mutually beneficial forms;

(e) Firm project proposals - including those already submitted by the Secretariat and others of a similar nature that are urgently needed and for which funding sources should be identified.

A. Other considerations

10. The Panel took note of the ongoing UNIDO project to prepare a pre-feasibility study on shoe components and auxiliaries, which it is hoped will be ready for presentation at the Regional Meeting for Africa.

11. The Panel received the consultants' reports on tanning chemicals and their manufacturing and acquisition based on their visits to African countries and suggested that development of this sector should be kept under review. The possibility of joint ventures should be investigated by interested parties.

12. The Panel concluded that UNIDO should further emphasize in its technical co-operation programme projects related to the improvement of capacity utilization within the leather and leather products sector.

13. The Panel supported the Secretariat's suggestion that a study should be prepared on the impact of computer-aided design and computer-aided manufacturing (CAD/CAM) on the development of the footwear industry in developed and developing countries.

14. The Panel requested UNIDO to look into sectoral financing, utilizing international banking sources to catalyse the sector's development.

IV. CONTRIBUTIONS BY OTHER INTERNATIONAL ORGANIZATIONS

15. The Panel received with much interest the ITC market news service report on hides, skins and semi-processed leather and felt that it would be of great interest to developing countries in their marketing activities in the sector. The Panel requested ITC to prepare a more detailed report on this subject for the Regional Meeting for Africa.

16. The Panel received the reports from the International Labour Office prepared for the Third Tripartite Technical Meeting for the Leather and Footwear Industry. It was recognized that the timing for this meeting was opportune and would allow the conclusions, in particular concerning training, to be presented at the proposed Regional Meeting.

17. FAO was requested to prepare a report outlining their activities in the African region to be presented at the Regional Meeting.

18. While considering the question of the hides and skins improvement programme, the Panel took note of its current status and of the activities and

experience of FAO in the field in Africa and welcomed the formation of a sub-group on hides and skins under the aegis of its intergovernmental group on meat.

V. PREPARATION FOR THE REGIONAL MEETING IN AFRICA

19. The Panel was informed by the UNIDO Secretariat about the preparation for the Regional Meeting in Africa on the leather and leather products industry. It expressed its concern about the delay in obtaining financial commitments for convening this meeting and urged that all possible measures be undertaken to secure the required funds. The opinion was expressed that special attention should be devoted to selecting the most qualified participants from African countries to attend this meeting.

20. Some members of the Panel expressed the view that their participation in and contribution to the Regional Meeting for Africa should also be considered.

Annex I

LIST OF PARTICIPANTS AND CONSULTANTS

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Annex II

LIST OF DOCUMENTS

Provisional agenda

Provisional list of participants

Integrated development programme of the leather and leather products industry in Africa - RP/RAF/85/610 - Overview on the leather sector

Burkina Faso
Egypt
Mali
Mozambique
Niger
Sierra Leone
Somalia
Zambia

Integrated development programme of the leather and leather products industry in Africa - RP/RAF/85/610 - Interim report on the leather, footwear and leather products sector

Report of the mid-term project meeting (RP/RAF/85/610) Vienna, 11-12 September 1985

Report on the potential for co-operation in the development of the leather and leather products industry in the Southern African sub-region between member states of SADCC

UNIDO technical assistance activities in the field of leather and leather products as at end September 1985

Letter by R. Teichert, Director of the International Council of Hides, Skins and Leather Traders Associations, on statement on freedom of trade

Outline for training needs for the leather and leather products sector

Background papers for the International Labour Office Third Tripartite Technical Meeting for the Leather and Footwear Industry, Geneva, 1985:

General report

Manpower development, training and retraining in the leather and footwear industry

The impact on employment and income of structural and technological changes in the leather and footwear industry